



HAWAII MEDICAL ASSOCIATION

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COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Robert N. Herkes, Chair

Rep. Ryan I. Yamane, Vice Chair

COMMITTEE ON JUDICIARY

Rep. Gilbert S.C. Keith-Agaran, Chair

Rep. Karl Rhoads, Vice Chair

DATE: Monday, March 19, 2012

TIME: 2:00 pm

PLACE: Conference Room 325

From: Hawaii Medical Association

Dr. Roger Kimura, MD, President

Linda Rasmussen, MD, Legislative Co-Chair

Dr. Joseph Zodian, MD, Legislative Co-Chair

Dr. Christopher Flanders, DO, Executive Director

Lauren Zirbel, Community and Government Relations

Re: SB 2106, SD2 RELATING TO HEALTH.

In Support

Chairs & Committee Members:

HMA recognizes that legislation to restrict specialty tier is one approach to help ensure that every person living with chronic and/or severe illnesses and requiring high cost drugs, has access to the therapies that can slow disease progression and increase quality of life, without subjecting the patient to the potentially devastating cost of specialty tier coinsurance.

HMA fully supports this legislation.

Thank you for the opportunity to testify.

OFFICERS

PRESIDENT - ROGER KIMURA, MD, PRESIDENT ELECT - STEVE KEMBLE, MD

IMMEDIATE PAST PRESIDENT – MORRIS MITSUNAGA, MD, SECRETARY - THOMAS KOSASA, MD, TREASURER – WALTON SHIM, MD, EXECUTIVE DIRECTOR – CHRISTOPHER FLANDERS, DO



BENEFIT PLAN SOLUTIONS, INC.

Consultants ♦ Health Actuaries

March 16, 2012

The Honorable Robert N. Herkes, Chair
The Honorable Ryan I. Yamane, Vice Chair
House Committee on Consumer Protection & Commerce

March 19, 2012, 2:00pm
Conference Room 325

Re: SB 2106, SD2, HD1 Relating to Health

Chair Herkes, Vice Chair Yamane, and Members of the Committee:

Benefit Plan Solutions (BPS) appreciates the opportunity to testify in opposition of SB 2106, SD2, HD1.

The proposed bill requires that all contracts issued or renewed "in this State after December 31, 2012, except for policies, contracts, plans, or agreements that provide coverage for only specified diseases or other limited benefit coverage, shall include coverage for outpatient prescription drugs for the member or any dependent of the member."

Currently, in the market place, an employer has the option to offer prescription drug coverage or not. In addition, employers who have a fully-insured medical plan have the option to either provide outpatient prescription drug coverage as a rider or through a self-funded (self-insured) prescription drug plan.

Since the requirement of an essential health benefits package does not take effect until January 1, 2014 under the Patient Protection and Affordable Care Act (PPACA), the State is premature in mandating prescription drug coverage under the medical plan.

Furthermore, the requirement of the essential health benefits package applies to individual, small group, and non-grandfathered plans under the PPACA. Self-insured group health plans, health insurance coverage offered in the large group market, and grandfathered health plans are not required to provide essential health benefits, as described in the PPACA. This proposed bill does not recognize these differences and mandates individual, small group market, health insurance coverage offered in the large group market, and grandfathered health plans to offer prescription drug coverage.

We recommend that §431:10A (lines 1-3) and §432:1 (lines 12-14) on page 2 of SB 2106, SD2, HD1 be amended as follows:

... shall include coverage for outpatient prescription drugs for the member or any dependent of the member unless the policyholder can provide evidence of prescription drug coverage provided through another policy or self-insured program.

We respectfully request that you hold this bill in committee or amend the sections as outlined above. Thank you for allowing us to testify in opposition of this measure.

Respectfully submitted,
Benefit Plan Solutions

HMSA



Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

March 19, 2012

The Honorable Robert N. Herkes, Chair
The Honorable Ryan I. Yamane, Vice Chair

House Committee on Consumer Protection and Commerce

Re: SB 2106, SD2, HD1 – Relating to Health

Dear Chair Herkes, Vice Chair Yamane and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 2106, SD2, HD1, which mandates health insurance contracts to include outpatient drug coverage.

HMSA concurs with the intent of this Bill because it aligns with our belief that outpatient drug therapy is critical to quality care in an efficient health care system. We believe the underlying policy in SB 2106, SD2, HD1, will help control prescription drug costs and will help make our health care system more efficient. Furthermore, prescription drug coverage is mandated under the federal Affordable Care Act (ACA), and taking this step certainly will be reflective of our support of the vision and intent of the ACA.

Thank you for allowing us to testify in support of this measure.

Thank you.

Sincerely,

Jennifer Diesman
Vice President
Government Relations